

**OFFICIAL PROCEEDINGS
CITY COUNCIL
CITY OF ESCANABA, MICHIGAN
Special Council Meeting
Thursday, May 24, 2012**

Pursuant to a meeting notice posted on May 18, 2012, the Council of the City of Escanaba convened in special session in Room 101 of City Hall at 7:30 a.m., to approve the annual appropriations and tax levy ordinances, and/or any other items to be brought before the Council.

Present: Mayor Leo J. Evans, Council Members Patricia A. Baribeau, Ronald J. Beauchamp, and Brady L. Nelson.

Absent: Council Member Walter A. "Pete" Baker.

Nelson moved, Beauchamp seconded, to excuse Council Member Baker who was out of the community.

Also Present: City Manager James V. O'Toole, City Department Heads, and members of the public.

APPROVAL OF AGENDA

Council Member Beauchamp commented on addendums and felt they were last minute. He asked to remove the Sanitary Sewer Service Agreement between the City of Escanaba and Wells Township. Council Member Beauchamp further requested, at a future Council Meeting, to discuss agenda addendums, and to schedule Council Meetings in the evening instead of the early mornings.

After discussion, Nelson moved, Baribeau seconded, to approve the agenda and addendums as submitted. The vote was as follows:

Ayes: Nelson, Baribeau, Evans
Nays: Beauchamp

MOTION CARRIED.

BRIEF PUBLIC COMMENT - None

UNFINISHED BUSINESS - None

PUBLIC HEARING(S)

Second Reading, Public Hearing of Ordinance No. 1123, the Appropriations Ordinance, including the Millage Rate of 17.00 mills.

In accordance with Chapter VIII. General Finance of the City Charter, Section 9, Council was required by ordinance to levy taxes that were necessary to meet the

appropriations made for the upcoming fiscal year.

This being a public hearing, Mayor Evans asked for any public comment.

Hearing no public comment, Mayor Evans closed the public hearing and the following resolution was made:

PH-1 "By Council Member Nelson, seconded by Council Member Beauchamp:

Resolved, That Ordinance No. 1123, the Appropriations Ordinance, given its second reading and public hearing at this meeting, be and is hereby adopted and that it be published in accordance with the requirements of the City Charter."

Upon a call of the roll, the vote was as follows:

Ayes: Nelson, Beauchamp, Baribeau, Evans

Nays: None

RESOLUTION DECLARED ADOPTED.

Herewith Ordinance No. 1123 adopted by title:

"AN ORDINANCE TO MAKE APPROPRIATIONS AND CORRESPONDING REVENUES FOR THE YEAR ENDED JUNE 30, 2013."

Full text in Ordinance Record "K".

Second Reading, Public Hearing of Ordinance No. 1124, the Tax Levy Ordinance.

In accordance with Chapter VIII. General Finance of the City Charter, Section 9, Council must approve a tax levy and authorize appropriations to implement the budget for the upcoming fiscal year.

This being a public hearing, Mayor Evans asked for any public comment.

Hearing no public comment, Mayor Evans closed the public hearing and the following resolution was made:

PH-2 "By Council Member Beauchamp, seconded by Council Member Baribeau;

Resolved, That Ordinance No. 1124, the Tax Levy Ordinance setting the millage rate at 17 mills, given its second reading and public hearing at this meeting, be and is hereby adopted and that it be published in accordance

with the requirements of the City Charter."

Upon a call of the roll, the vote was as follows:

Ayes: Beauchamp, Baribeau, Nelson, Evans

Nays: None

RESOLUTION DECLARED ADOPTED.

Herewith Ordinance No. 1124, adopted by title:

AN ORDINANCE TO LEVY SUCH TAXES AS MAY BE NECESSARY TO MEET APPROPRIATIONS MADE AND ALL SUMS REQUIRED BY LAW TO BE RAISED TO DEFRAY THE DEBTS, EXPENDITURES, AND LIABILITIES OF SAID CITY FOR THE FISCAL YEAR ENDING ON THE 30TH DAY OF JUNE, 2013, AND REQUIRING AN AUTHORIZED LEVY ON THE JULY, 2012, CITY TAX ROLL OF RETURNED UNPAID SPECIAL ASSESSMENTS, TOGETHER WITH SUCH PENALTIES THEREON AS IS PROVIDED BY THE CITY CHARTER.

Full text in Ordinance Record "K".

NEW BUSINESS

First Reading of Ordinance No. 1125, the Electric Rate Ordinance, and Setting the Date of Monday, June 4, 2012, for Second Reading, Public Hearing, and Adoption.

Annually the City Council set electric utility rates for the upcoming fiscal year. Administration requested Council to consider this the first reading of Ordinance No. 1125 and to schedule the second reading and public hearing for June 4, 2012, at 8:00 a.m.

NB-1 Nelson moved, Beauchamp seconded, **CARRIED UNANIMOUSLY**, to set the date of June 4, 2012, for the second reading, public hearing, and adoption of Ordinance No. 1125, at 8:00 a.m.

First Reading of Ordinance No. 1126, the Wastewater Rate Ordinance, and Setting the Date of Monday, June 4, 2012, for the Second Reading, Public Hearing, and Adoption.

Annually the City Council set wastewater utility rates for the next fiscal year. Administration requested Council to consider this the first reading of Ordinance No. 1126 and to schedule the second reading and public hearing for June 4, 2012, at 8:00 a.m.

NB-2 Beauchamp moved, Nelson seconded, **CARRIED UNANIMOUSLY**, to set the date of June 4, 2012, for the second reading, public hearing, and adoption of Ordinance No. 1126.

First Reading of Ordinance No. 1127, the Water Rate Ordinance, and Setting the Date of Monday, June 4, 2012, for Second Reading, Public Hearing, and Adoption.

Annually the City Council set water utility rates for the next fiscal year. Administration requested Council to consider this the first reading of Ordinance No. 1127 and to schedule the second reading and public hearing for June 4, 2012, at 8:00 a.m.

NB-3 Beauchamp moved, Nelson seconded, **CARRIED UNANIMOUSLY**, to set the date of June 4, 2012, for the second reading, public hearing, and adoption of Ordinance No. 1127, at 8:00 a.m.

First Reading of Ordinance No. 1128, the Solid Waste Ordinance, and Setting the Date of Monday, June 4, 2012, for the Second Reading, Public Hearing, and Adoption.

Annually, the City Council set solid waste rates for the next fiscal year. Administration requested Council to consider this the first reading of Ordinance No. 1128 and to schedule the second reading and public hearing for June 4, 2012, at 8:00 a.m.

NB-4 Nelson moved, Baribeau seconded, **CARRIED UNANIMOUSLY**, to set the date of June 4, 2012, for the second reading, public hearing, and adoption of Ordinance No. 1128.

Approval – Three Month Extension of Power Plant G-T IA Insurance Coverage.

Administration sought Council approval of a three (3) month extension on the G-T IA Insurance through MARSH/ACE on the Power Plant generation facilities in an amount not to exceed \$21,000. The following was reviewed.

- The current contract was due to expire June 5, 2012;
- G-T IA Insurance through MARSH/ACE has agreed to extend the contract an additional three months until the Power Plant was sold.

NB-5 Baribeau moved, Beauchamp seconded, to approve of a three (3) month extension on the G-T IA Insurance through MARSH/ACE on the Power Plant generation facilities in an amount not to exceed \$21,000.

Upon a call of the roll, the vote was as follows:

Ayes: Baribeau, Beauchamp, Nelson, Evans
Nays: None

MOTION CARRIED.

Approval – Wells Township Sanitary Sewer Service Agreement.

Administration sought Council approval of a Sanitary Sewer Service Agreement between the City of Escanaba and Wells Township for specific property located in Wells Township, Delta County, Michigan. All costs and fees associated with the request shall be the sole responsibility of the property owners. The outside City rate for service would be twice the inside City rate and the City would retain the right to discontinue service to the customer in order to bring the system up to City standards if found to be deficient.

Property owner Todd Milkiewicz stated the property had been in his family for many years. Mr. Milkiewicz advised the Michigan Department of Environmental Quality (MDEQ) required his family's property to be developed. Mr. Milkiewicz further stated it was his intention to build a family home on the property, but in order to build or develop the property, the MDEQ required connection to a municipal sewer system.

NB-6 Nelson moved, Baribeau seconded, to approve a Wells Township Sanitary Sewer Service Agreement to provide sanitary sewer service for two property owners located outside the City's territorial limits pursuant to MCLA, and that the outside City rate for service would be twice the inside City rate and the City would retain the right to discontinue service to the customer in order to bring the system up to City standards if found to be deficient.

Upon a call of the roll, the vote was as follows:

Ayes: Nelson, Baribeau, Beauchamp, Evans
Nays: None

MOTION CARRIED.

Approval – NextEra Energy Power Marketing Power Purchase and Sale Agreement – Capacity.

Administration sought Council Approval of a Power and Sale Agreement with NextEra Energy Power Marketing, LLC pursuant to and in accordance with the Master Power Purchase and Sale Agreement dated December 13, 2011. The purpose of the agreement was to secure capacity for the months of July, August, and September 2012.

Electric Superintendent Furmanski reviewed the capacity requirement with MISO. Mr. Furmanski advised the MISO Tariff required utilities to provide adequate capacity to cover forecasted demand peaks. He further advised the City could potentially incur fines and penalties if the agreement was not in place.

NB-7 After discussion, Nelson moved, Baribeau seconded, to approve a Power and Sale Agreement with NextEra Energy Power Marketing, LLC pursuant to and in accordance with the Master Power Purchase and Sale Agreement dated December 13, 2011, to secure capacity for the months of July, August, and September 2012.

Upon a call of the roll, the vote was as follows:

Ayes: Nelson, Baribeau, Beauchamp, Evans

Nays: None

MOTION CARRIED.

APPOINTMENTS TO CITY BOARD AND COMMISSIONS - None

GENERAL PUBLIC COMMENT

Hearing no further public comment, and the time being 7:55 a.m., the Council adjourned.

Respectfully submitted,

Robert S. Richards, CMC
City Clerk

Approved: _____
Leo J. Evans, Mayor